

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON

DISCOVERORG, LLC,)
v. Plaintiff,) Case No.
CDW CORPORATION,) COMPLAINT
Defendant.) JURY DEMAND

Plaintiff DiscoverOrg, LLC (“DiscoverOrg”), for its complaint against CDW Corporation (“CDW”) alleges as follows:

PARTIES

1. DiscoverOrg is a Delaware limited liability corporation with its principal place of business in Vancouver, Washington.

2. CDW is an Illinois corporation with a principal place of business in the State of Illinois and does business in the State of Washington.

JURISDICTION AND VENUE

3. This court has jurisdiction over the subject matter of the claims herein pursuant to 18 U.S.C. §§ 1331 and 1338(a) and (b) because DiscoverOrg's claim arises under Federal Law.

4. This court also has jurisdiction over DiscoverOrg's state law claims pursuant to
28 U.S.C. § 1337 under principles of supplemental jurisdiction.

5. This court has personal jurisdiction over CDW, and venue is properly laid in this district court pursuant to 28 U.S.C. § 1391 and 28 U.S.C. §1400(a), in that CDW transacts business in this state and has committed tortious acts within this state.

FACTS AND ALLEGATIONS

A. DiscoverOrg's Database

6. DiscoverOrg is a provider of business-to-business (“b2b”) marketing data for the information technology (“IT”) industry. DiscoverOrg uses technology, computers, and electronic communication systems to provide subscribers with profiles, contacts, and other information relating to the IT, finance, and marketing infrastructure of Fortune 5000 and mid-market companies around the United States. DiscoverOrg’s database contains profiles and organizational charts of more than 30,000 companies and contains more than 500,000 business contacts. DiscoverOrg has been recognized in the industry as the most complete and accurate b2b marketing database. The depth, breadth, and accuracy of DiscoverOrg’s data are unrivaled in the marketplace.

7. DiscoverOrg has made substantial investments in infrastructure and resources to support its database and ensure that it is of the highest quality. DiscoverOrg's highly-trained research analysts focus exclusively on building, managing, and updating DiscoverOrg's database, resulting in timely and comprehensive data being made available to DiscoverOrg's clients. DiscoverOrg has expended substantial labor, time, resources, effort, and money to select, gather, collect, organize, generate, arrange, and disseminate the timely and continuously updated information DiscoverOrg provides in its database. For example, DiscoverOrg employs approximately 180 employees and has made significant investment in developing and purchasing software, hardware and other equipment to continuously update and support the accuracy and comprehensiveness of its database. DiscoverOrg's database exhibits DiscoverOrg's decisions and input as to the selection, arrangement, orchestration, compilation, and presentation of the organizational charts, contacts, and other information collected and assembled by DiscoverOrg's analysts.

1 8. DiscoverOrg's database is valuable to companies like CDW, who seek detailed
2 information to assist in their efforts to market their IT-related products and services.
3 DiscoverOrg has licensed subscription access to its database to over 1,700 companies, each of
4 whom pays a significant license fee for the right to access and use DiscoverOrg's database.

5 9. The value of DiscoverOrg's database is directly related to and dependent upon
6 its proprietary and non-public nature. Accordingly, DiscoverOrg takes substantial steps to
7 protect the security of the information contained in its database. For example, DiscoverOrg
8 limits access to its database to only authorized users pursuant to restrictive license agreements,
9 which limit the number of users who have access to DiscoverOrg's database. DiscoverOrg
10 password protects access to its database, and utilizes mail monitoring and list protection at
11 substantial costs to further secure and ensure the integrity of DiscoverOrg's database.

12 **B. CDW's Wrongful Conduct**

13 10. All actions alleged herein to have been done by CDW were, upon information
14 and belief, performed by employees or other agents of CDW within the scope of their
15 employment or other agency relationship with CDW, on CDW's behalf, and for CDW's benefit.

16 11. CDW used identification information and passwords that did not belong to it,
17 and that it was not authorized to use, in order to access DiscoverOrg's database. From January
18 10, 2013 through August 5, 2015, CDW gained unauthorized access to DiscoverOrg's database
19 using usernames and passwords issued to DiscoverOrg clients pursuant to such clients' valid
20 licenses.

21 12. On these occasions, CDW accessed and downloaded DiscoverOrg's proprietary
22 information without permission from DiscoverOrg. CDW used their unauthorized access to
23 perform searches within the database using DiscoverOrg's technology and to view and
24 download thousands of records. There are approximately 240 known incidents of unauthorized
25 access to DiscoverOrg's database by CDW, during which CDW downloaded more than 12,000
26 records.

27 13. CDW acted knowingly, intentionally, and willfully in accessing DiscoverOrg's

1 computer and electronic communication system without authorization and in viewing and
2 downloading DiscoverOrg's proprietary, copyrighted information. CDW circumvented
3 DiscoverOrg's security system and unlawfully accessed DiscoverOrg's database to gain the
4 commercial benefit thereof without compensating DiscoverOrg. CDW's unauthorized use of
5 DiscoverOrg's proprietary information has furthered CDW's financial interest by facilitating
6 identifying and contacting potential new customers and business opportunities, among other
7 uses, and CDW has wrongfully profited therefrom.

8 14. CDW has further intentionally interfered with the contractual relationship
9 between DiscoverOrg and one or more licensees of DiscoverOrg's data. CDW knew that
10 DiscoverOrg's data was non-public and proprietary and subject to restrictive license agreements
11 prohibiting transfer to third parties like CDW. Nevertheless, CDW knowingly encouraged
12 authorized users of DiscoverOrg data to violate these license agreements by providing CDW
13 with DiscoverOrg's proprietary data. CDW did so to gain the commercial benefit of
14 DiscoverOrg's data without compensating DiscoverOrg. CDW has wrongfully profited from
15 these activities and has harmed DiscoverOrg by diminishing the market value of DiscoverOrg's
16 database.

17 15. At all relevant times, CDW had a duty to train and supervise the conduct of its
18 employees and agents acting on its behalf. CDW was negligent in failing to appropriately train
19 and monitor its employees and agents and failing to have appropriate policies in place regarding
20 unauthorized access to computer systems, communication, storage networks, and copyrighted
21 works and trade secrets and/or failing to enforce such policies.

FIRST CLAIM FOR RELIEF

(Copyright Infringement)

24 16. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1-
25 15.

26 17. DiscoverOrg's database is an original work of authorship containing
27 copyrightable subject matter for which copyright protection exists under the Copyright Act.

1 DiscoverOrg has filed for copyright registration with the United States Copyright Office in
2 compliance with 17 U.S.C. § 101 *et seq.* DiscoverOrg's copyright was registered December 27,
3 2010 with registration number TX0007487999.

4 18. As owner of all right, title, and interest in and to the copyrighted works,
5 DiscoverOrg is entitled to all the exclusive rights and remedies accorded by Section 106 of the
6 Copyright Act to a copyright owner, including the exclusive rights to reproduce the copyrighted
7 works and to sell non-exclusive licenses to those copyrighted works.

8 19. CDW has gained access to and made and used copies of DiscoverOrg's
9 copyrighted material without authorization or license from DiscoverOrg. CDW used those
10 copies for CDW's financial gain without compensating DiscoverOrg. In doing so, CDW has
11 violated DiscoverOrg's exclusive rights of reproduction and distribution.

12 20. At all relevant times, CDW had the right and the ability to supervise and monitor
13 the actions its employees and agents, whose actions were performed on its behalf and for its
14 direct financial benefit and were within the scope of their employment for CDW.

15 21. With knowledge of the infringing activity, CDW induced, caused, facilitated,
16 encouraged, and/or materially contributed to the infringing conduct.

17 22. CDW's acts of infringement have been willful and intentional, in disregard of
18 and with indifference to the rights of DiscoverOrg.

19 23. As a direct and proximate results of the foregoing acts, DiscoverOrg has been
20 and will continue to be harmed. DiscoverOrg is entitled to its actual damages, including any
21 and all profits due to CDW's wrongful conduct, or statutory damages. DiscoverOrg is also
22 entitled to its costs, including reasonable attorney fees.

SECOND CLAIM FOR RELIEF

(Violation of the Computer Fraud and Abuse Act)

25 | 24. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1-
26 | 15.

27 25. DiscoverOrg's computer system and database comprise "protected computers"

within the meaning of 18 U.S.C. § 1030(e)(2).

26. CDW, knowingly and with intent to defraud DiscoverOrg, accessed DiscoverOrg's protected computers without authorization and thereby obtained valuable information from such protected computers using interstate communication.

27. CDW's actions constitute violations of 18 U.S.C. §§ 1030(a)(2)(C) and 1030(a)(4).

28. CDW's unauthorized access of DiscoverOrg's computer has caused loss to DiscoverOrg during a 2-year period of more than \$5,000 in value.

29. By reason of the foregoing, DiscoverOrg is entitled to compensatory damages in an amount to be determined at trial pursuant to 18 U.S.C. § 1030(g).

THIRD CLAIM FOR RELIEF

(Violation of the Stored Communications Act)

30. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1-15.

31. DiscoverOrg's network of computer servers and related equipment constitutes a "facility" providing "electronic communications services" as those terms are defined in 18 U.S.C. § 2510(15). DiscoverOrg's database constitutes an "electronic storage" device as that term is defined in 18 U.S.C. § 2510(17).

32. CDW willfully and intentionally accessed DiscoverOrg's password-protected computer service and database without authorization and obtained wire and electronic communications between DiscoverOrg and its clients stored therein.

33. CDW's actions constitute willful and intentional violations of 18 U.S.C. § 2701. By reason of the foregoing, DiscoverOrg is entitled to recover compensatory damages, statutory, and punitive damages, CDW's profits, and DiscoverOrg's attorney fees and costs against CDW pursuant to 18 U.S.C. § 2707.

FOURTH CLAIM FOR RELIEF

(Misappropriation of Trade Secrets)

34. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1 - 15.

35. DiscoverOrg gathers, organizes, generates, collects, and assembles in-depth, commercially-valuable information (including reporting structures, contact information, and other data) expending substantial time, labor, and expense.

36. The compilation of information in DiscoverOrg's database is the exclusive knowledge of DiscoverOrg and is not known, and cannot be accessed, by anyone except customers who have agreed to maintain the confidentiality of such information through a restrictive license, which forbids them from sharing or disseminating the information and requires that they return and/or destroy the information when their license expires. The commercial value of DiscoverOrg's database is directly correlated to and dependent upon its proprietary and non-public nature.

37. DiscoverOrg protects the information in its database by limiting access to those customers who agree to the terms of the access in the licensing agreement. DiscoverOrg monitors access to the database and use of the information to further ensure its security.

38. CDW willfully and maliciously misappropriated DiscoverOrg's trade secrets by accessing DiscoverOrg's computer systems without authorization, copying the information contained therein, and using that information for CDW's financial gain.

39. CDW's actions have caused damage to DiscoverOrg in the form of lost profits and diminution of the market value of its database. By reason of the foregoing, CDW is liable to DiscoverOrg for reasonably royalties, compensatory damages, wrongfully derived revenues, and exemplary damages, in an amount to be proven at trial, plus DiscoverOrg's costs including reasonable attorney fees.

FIFTH CLAIM FOR RELIEF

(Misappropriation)

40. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1 - 15.

41. DiscoverOrg gathers, organizes, generates, collects, and assembles in-depth, commercially-valuable information (including reporting structures, contact information, and other data) expending substantial time, labor, and expense.

42. CDW intentionally and without permission, accessed, and copied information from the database, used the stolen information for their own financial gain, and profited therefrom. CDW has taken a “free-ride” on DiscoverOrg’s skill, labor, and, costly and substantial efforts in creating its commercially-valuable database.

43. CDW's actions have damaged DiscoverOrg in the form of lost profits and diminution of the market value of its database. By reason of the foregoing, misappropriation of DiscoverOrg's data, CDW is liable to DiscoverOrg for compensatory damages including wrongfully derived revenues in an amount to be proven at trial.

SIXTH CLAIM FOR RELIEF

(Trespass to Chattels)

44. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1 - 15.

45. DiscoverOrg owns a computer system that houses its proprietary electronic database. DiscoverOrg grants password access to this system only to its clients.

46. CDW intentionally accessed DiscoverOrg's computer system without authorization and thereby interfered with DiscoverOrg's possessory interest in its computer systems.

47. As a result of CDW's trespass to DiscoverOrg's computer system, CDW caused damage to DiscoverOrg's database including, but not limited to, the diminution in the market value of DiscoverOrg's computerized data and information stored on such computer system.

1 By reason of the foregoing, CDW is liable to DiscoverOrg for compensatory damages in an
2 amount to be proven at trial.

3 **SEVENTH CLAIM FOR RELIEF**

4 (Unjust Enrichment)

5 48. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1 -
6 15.

7 49. Through CDW's wrongful actions described herein, CDW has been unjustly
8 enriched through the use of DiscoverOrg's commercial-valuable data without compensation to
9 DiscoverOrg.

10 50. CDW is therefore liable to DiscoverOrg to the extent of such unjust enrichment
11 in an amount to be determined at trial.

12 **EIGHTH CLAIM FOR RELIEF**

13 (Intentional Interference with Contract)

14 51. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1 -
15 15.

16 52. CDW was aware that access to and use of DiscoverOrg's data was subject at all
17 relevant times to restrictive license agreements between DiscoverOrg and its licensees
18 prohibiting transfer to and use by third parties.

19 53. CDW knowingly and wrongfully encouraged one or more licensees of
20 DiscoverOrg's proprietary data to transfer the same to CDW in violation of their license
21 agreement.

22 54. CDW's sole purpose in encouraging this breach of contract was to benefit from
23 the commercial value of DiscoverOrg's data without compensation to DiscoverOrg.

24 55. CDW unjustly profited from this breach of contract, and harmed DiscoverOrg
25 by causing a diminution of the commercial value of DiscoverOrg's data.

26 56. By reason of the foregoing, CDW is liable to DiscoverOrg for compensatory
27 damages in an amount to be proven at trial.

1

2 **NINTH CLAIM FOR RELIEF**

3

(Negligence)

4 57. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1 -
5 15.

6 58. At all relevant times, CDW was under a duty to take reasonable care in training
7 and supervising its employees and other agents acting on its behalf.

8 59. It was foreseeable that the failure to train and supervise employees and other
9 agents regarding appropriate methods for obtaining sales and marketing information for the
10 benefit of CDW would harm a third party such as DiscoverOrg.

11 60. CDW breached its duty when it failed to train and supervise its employees by
12 allowing them in the unlawful conduct set forth in this complaint. In particular, CDW failed to
13 properly implement and enforce a policy prohibiting such conduct, as would be required of a
14 reasonable person.

15 61. As a direct and proximate result of CDW's negligence, DiscoverOrg has
16 suffered damage in the form of lost profits and diminution of the market value of its database.
17 CDW is liable to DiscoverOrg for compensatory damages in an amount to be proven at trial.

18 **PRAYER FOR RELIEF**

19 WHEREFORE, DiscoverOrg prays for the following relief:

20 1. entry of judgment in its favor and against CDW on all counts;
21 2. as to its First Claim for Relief, actual or statutory damages plus costs including
22 reasonable attorney fees;

23 3. as to its Second Claim for Relief, compensatory damages;
24 4. to its Third Claim for Relief, actual, statutory, and punitive damages plus costs,
25 including reasonable attorney fees;

26 5. as to its Fourth Claim for Relief, reasonable royalties, compensatory damages,
27 wrongfully derived revenues, and exemplary damages plus costs, including reasonable attorney

fees;

6. as to its Fifth Claim for Relief, compensatory damages;
 7. as to its Sixth Claim for Relief, compensatory damages;
 8. as to its Seventh Claim for Relief, the amount by which CDW has been unjustly
ed;
 9. as to its Eighth Claim for Relief, compensatory damages;
 10. as to its Ninth Claim for Relief, compensatory damages; and
 11. such other relief as the Court may deem just and equitable.

DATED: December 11, 2015

Respectfully submitted,

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**COMPLAINT - 11
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